



**FINANCING
COMMUNITY
AMBITION**

Managing Project Development Costs



Michael White – Chartered Engineer

- Director – Feasible Property Limited
- 30 Years + Experience in Property and Construction
- Property Development Experience on both client side and as an advisor
- Voluntary Role(s) with Edmondstown Golf Club and Lakelands Football Club including various Capital Development projects

Project Feasibility Stage

- Identify a group/ sub-committee of members who will handle the project for your organisation
- Work out your requirements/ what does project aim to achieve?
- Identify professional expertise required – Architects etc.
- Prepare Realistic Order of Magnitude Cost ($\pm 25\%$ - For most projects this will require the input of a Quantity Surveyor/ Cost Consultant
- Identify your funding source(s)
- When the Order of Magnitude is prepared, examine the list of exclusions – Development Levies, Utility connections etc.
- Can your Community Group recover VAT – 13.5%/ 23%

Project Evaluation Stage

- Identify professional expertise required – Architects etc.
- Identify realistic timeframe – Projects always take longer than envisaged
- What Statutory Consents are required – Planning Permission/ Fire Safety Certificate, Disability Access Certificate
- An accurate budget can realistically only be prepared once the detailed design is complete ($\pm 10\%$)
- Identify Procurement Process – An agreed tender list is most common option. No need for more than 4/ 5 companies to tender

Commencing a Project

- Agree list of tenderers – If they are unknown contact references for details of past projects
- Detailed Specification needs to be tied down as much as possible prior to issue of tender documents. Extra weeks spent on this aspect worthwhile
- Lack of detail = Lack of clarity = Lack of Price Certainty
- Input from your QS – Requirement for a Bill of Quantities
- Are modular forms (Built off-site) of construction available
- When Tenders/ prices are returned from Contractors – Detailed analysis is required.
- Request value engineering proposals from Contractor if necessary

Commencing/ during a Project

- Prior to appointment - Agree programme etc. Explain the importance of adhering to the budget to the Contractor.
- Identify Contract Type – RIAI?
- Fixed Price – Is this realistic?
- Regular Involvement of your Sub-Committee is critical. They need to meet architect and contractor regularly
- Ensure adequate contingency is included – Level depends on complexity and nature of project. Min 10% generally
- Update your cost plan/ budget regularly – Involvement of QS is critical
- Identify a project lead - Request they issue a regular update to your group. An email report is sufficient.

During a Project/ Close-Out

- Variations arise – What to do? Tackle them! Is there any way to offset the cost?
- Keep your funder informed. If there are any problems advise them.
- Pay monthly certificates on time. Any delay means the work on site may suffer. Don't affect the outcome of your project!
- Final Account Stage – Tackle this early. Will you get any reduction for quick payment once the amount is agreed.

Project Partially Completed

- Variations have arisen – Tackle them.
- If you don't have a QS consider approaching one.
- Govt. Analysis on Inflation = <https://www.cso.ie/en/releasesandpublications/er/wpi/wholesalepriceindexjanuary2022/>
- Unprecedented times so accurate and current awareness of the construction sector is required
- What stage is your project at? Realistic timeframe to complete?
- Are there any elements that could be completed at a later stage?
- If you have a funding shortfall, identify the realistic figure to finish your project.